Employment stabilizes,weekly wages move up

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After five months of job losses, **employment in the Edmonton region stabilized in September 2016.** Employment in construction, manufacturing and energy sectors were up in September, putting an end to eight months of steep job losses. Losses in September were seen in full-time positions in finance, professional services and information sectors, while overall part-time employment rose modestly. The Edmonton region saw average weekly wages continue to move up, resulting in an annual growth rate of 4.1%.

With September's firmer job numbers, the Edmonton CMA's unemployment rate was down from 8.0% recorded in August, to 7.7% in September 2016. The unemployment rate for Calgary in September 2016 was 9.5%.

Labour Force Survey Results – Edmonton Census Metropolitan Area

Three-month moving average – seasonally adjusted

	Sep 2015	Aug 2016	**Sep 2016**	Aug 2016 to Sep 2016	Sep 2015 to Sep 2016	Aug 2016 to Sep 2016	Sep 2015 to Sep 2016
	(000)	(000)	**(000)**	(000)	(000)	%	%
Population (15 years and older)	1106.5	1123.4	**1124.8**	1.4	18.3	0.1	1.7
Labour force	810.8	816.2	**813.4**	-2.8	2.6	-0.3	0.3
Employment	762.4	751.2	**750.8**	-0.4	-11.6	-0.1	-1.5
Unemployment	48.4	65	**62.6**	-2.4	14.2	-3.7	29.3
Unemployment rate (%)	6.0	8.0	**7.7**	-0.3	1.7	...	...
Participation rate (%)	73.3	72.7	**72.3**	-0.4	-1.0	...	...
Employment rate (%)	68.9	66.9	**66.7**	-0.2	-2.2	...	...

Source: Statistics Canada

As was the case in August, employment in **Alberta** rose in September 2016. The net job gain for the province was approximately 13,000 positions. However, like Edmonton, job gains were heavily biased toward part-time positions, with an increase of 9,300 part-time positions as

compared with a gain of about 4,000 full-time jobs. The primary sources of employment growth in Alberta were in construction and professional services.

Even with this improvement,, Alberta's unemployment rate moved up from 8.4% in August 2016 to 8.5% in September 2016 as more individuals sought work in the province.

Employment levels were up at the national level, with gains in both part-time employment and full-time jobs for the month of September. Most of **Canada's** job gains were in business services, professional services and education. Lower employment was reported for healthcare and retail trade sectors. Nonetheless, Canada's unemployment rate was unchanged at 7.0% between August 2016 and September 2016 as the number of people seeking employment in Canada rose.

Significance

The recent job losses in the goods producing side of Edmonton's economy demonstrates that the region is not immune to the impact of decreased oil prices. However, the region's diverse economy has so far been able to absorb most of this negative shock. Moving into the fourth quarter of 2016 employment will stabilize, particularly in areas such as manufacturing and energy with the unemployment rate holding steady in the 7.5% to 8.0% range.

The ongoing growth in the working-age population—up 1.7% from September 2015 to September 2016— and a very strong participation rate in the labour force highlight Edmonton's relatively good job prospects when compared to the rest of Alberta. Growth in the number of job seekers has been an important factor in moderating wage increases by addressing labour and skill shortages that began to emerge in Edmonton prior to the downturn in energy prices. With Edmonton's unemployment rate now at 7.7% and good job gains elsewhere in Canada, net migration into the region has begun to slow down, especially when compared to the volumes seen over the past several years.

The very solid year-over-year growth in the average weekly earnings in Edmonton—up 4.1% in the past year—bodes well for the housing and retail segments of the Edmonton economy. Higher incomes and modest inflation will provide support to consumer confidence and spending over the remainder of 2016.

Limitations

Since employment trends, particularly in the full-time category, tend to lag behind developments in overall economic activity; they are a better indicator of past, rather than current, conditions in the economy. However, employment trends are useful predictors of future changes in incomes and consumer spending. Statistics Canada publishes a three-month moving average of all labour force values for the Edmonton region, an approach that sometimes results in the number of reported jobs lagging behind developments in the Edmonton region's economy.

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